GRUPPOMONTEPASCHI

PRESS RELEASE

Montepaschi Group H1 2010 results approved

Half Year:

EUR 511 mln in Net Operating Income (+8.1%)
EUR 261 mln in Net Income
Strong cost reduction (-3.5%)

Q2:

EUR 119 mln in Net Income

Customer base growing with over 37,000 newly acquired customers.

Basic revenues up (+0.4% YoY) and further accelerating in Q2 (+2.7% on Q1). Cost/income ratio at 60.2% from 64.2% at year end

Cost of credit in H1 at 77 bps. NPL coverage and performing loan portfolio quality are improving. Recovery flows are on the increase.

Capital ratios are up: Tier 1 at 7.8% (vs. 7.5% in March 2010), Total Capital Ratio at 12.2% (vs. 11.8% in March 2010)

Authorization obtained from Supervisory Authorities to extend advanced internal ratings-based models to all Antonveneta and former Antonveneta branches (merged into the Parent Company) and lower floor from 90% to 85% effective for supervisory reporting as of 30/09/2010

Commercial volumes and[1] market shares are growing:

- Direct funding: +8.8% YoY. Market share at 7.69% (+51 bps as compared to December 2009)
- Indirect funding: + 4.2% YoY (+ EUR 5.4 bln vs. H1 2009)
- Loans: +7.1% YoY. Market share at 8.03% (stable as compared to December 2009)
- Group liquidity profile is improving: Loan/Deposit ratio at 96.6% (vs. 98.1% in December 2009)
- Consumer loans disbursed: +10.8% YoY. Market share at 5.21% (+50 bps as compared to December 2009)
- Leasing contracts negotiated: +23.2% YoY. Market share at 5.96% (+65 bps as compared to December 2009)
- Funding from insurance premiums: EUR 3.5 bln worth of placements (+53.7% YoY)
- Mortgage loans negotiated for an overall amount of EUR 8.7 bln (+73% vs. H1 2009). Market share at 10.59% (+32 bps as compared to December 2009).

Siena, 26 August 2010 – Today, the Board of Directors of Banca Monte dei Paschi di Siena Spa approved the 2010 First Half results. Despite a still difficult economic cycle, the Montepaschi Group closed the first half

[1] Volumes as at 31/03/2010 and 30/06/2009 were restated, with historical data excluding the volumes from branches sold by Banca Monte dei Paschi di Siena to the Carige Group and the Intesa Group (22 and 50 branches respectively) in the course of the second quarter of 2010. As at 31/03/2010, these branches had approximately EUR 3,449 mln in total funding (of which EUR 2,111 mln in direct funding and EUR 1,338 mln in indirect funding) while, as at 30/06/2009, total funding volumes amounted to EUR 3,543 mln (of which 2,204 mln in direct funding and 1,339 in indirect funding) and lending volumes totalled EUR 2,305 mln. Changes in funding and lending volumes reported in this press release as compared to both 30/06/2009 and 31/03/2010 were calculated on a restated data basis.

of the year positively both in profit and loss terms (net income exceeding EUR 261 mln, vs. 332.1 mln in 2009 (non-comparable), which would in fact amount to 318.4 excluding PPA[2]), and in terms of commercial performance (direct funding +8.8%, indirect funding +4.2%, lending +7.1% YoY on a restated data basis). Competitive positioning improved, thus confirming the validity of a commercial strategy centered around customers (over 37,000 new customers were acquired and market shares are increasing). The intense work done to contain operating costs continues to yield excellent results: -3.5% on 2009 and -3.4% in Q2 2010 vs. Q1, with cost/income down to 60.2% from 64.2% at year-end. Net income in the second quarter came to EUR 118.9 mln as compared to EUR 31.5 mln in the same period of 2009. An improvement was also registered in capital ratios (BIS II AIRB floor RWAs: 90%), with Tier 1 up to 7.8% from 7.5% estimated in March 2010.

Financial and insurance income stood at EUR 2,810.2 mln as at 30 June 2010 (vs. 2,933.3 mln as at 30 June 2009). More specifically, **income from banking activities totalled** EUR 2,797.2 mln (vs. EUR 2,786.6 mln as at 30 June 2009), up 0.4% on 1H09.

Net interest income came to EUR 1,810.6 mln with Q2 contributing almost EUR 925 mln (+ approx. 39 mln; +4.4% on Q1): the 'commercial' component (even though on the rise in the second quarter as compared to the first) was still affected by low short-term interest rates, while the financial component (banking book, asset & liabilities management) continued to show a positive trend.

Net fees and commissions (EUR 986.6 mln) were up 3.7% as compared to the first half of 2009 thus confirming, in the second quarter, the good results that had emerged in the first quarter of the year. A closer focus on the aggregate shows that revenues from asset management have grown considerably YoY (+28.3%), while fees on services benefitted from a positive contribution from Corporate Finance lending and business with Key Clients.

Net profit/loss from trading/valuation of financial assets stood at EUR -33.5 mln as at 30/06/2010 (vs. 79.3 mln as at 30/06/2009), -53.4 mln in the second quarter. The aggregate reflects the sovereign debt crisis which affected “net profit/loss from trading” (-67.9 mln in Q2, -45.2 mln as at 30/06/2010). A positive balance was shown instead under "Gains/losses on disposal of loans, available-for-sale financial assets and financial liabilities" (EUR +20.7 mln in Q2; H1 accumulative figure: +36.5 mln) mainly on the back of capital gains from realisation of securities classified as AFS and L&R.

Total revenues also include **dividends, similar income and profit/loss from equity investments** which totalled EUR 33.6 mln (as compared to 66.7 mln as at 30/06/09) in connection with profits from equity investments mainly attributable to AXA-MPS and PRIMA SGR, as well as other equity securities classified as AFS.

As a whole, **consolidated financial and insurance income** stood at EUR 2,810.2 mln.

Highlights on the cost of credit and financial assets include the following:

2 Purchase Price Allocation: fair value measurement of main potential assets and liabilities purchased.

“Net value adjustments due to impairment of loans” stood at EUR 590 mln (vs. 686.7 mln in H1 2009). The aforementioned figure reflects a provisioning rate of 77 bps which, although still impacted by the difficult economic cycle, is reflective of the Group's unchanged policy of prudential provisioning.

“**Net value adjustments due to impairment of financial assets**” stood at EUR -19 mln mainly on account of depreciation of impaired listed equity securities classified as AFS.

Total **operating expenses** were down 3.5% on the same period of the previous year, thus confirming the importance attached to -and results obtained in- the structural containment of costs by the Montepaschi Group. In particular:

“Personnel expenses”, totaling approx. EUR 1,073 mln, decreased by 3.5% YoY on account of structural effects from headcount reduction and rearrangement processes;

“**Other administrative expenses**” (EUR 535 mln) was down 4.8% on H1 2009 as a result of cost synergies obtained from reorganization processes and cost management efforts;

“**Value adjustments on tangible and intangible assets**” stood at EUR 82.3 mln, up 6.4% as compared to 30 June 2009, mainly as a result of the ICT investments made in the 2008/2009 period.

As a result of the above, **net operating income** stood at EUR 510.8 mln (+8.1% as compared to June 2009). The cost/income ratio stood at 60.2% (vs. 64.2% at the end of 2009).

A contribution to net income also came from:

net provisions for risks and charges and other operating income/expenses for an amount of. EUR -134 mln (-34.8 mln as at 30/06/2009) with the second quarter accounting for -92.2 mln (-41.4 mln on Q1), which was primarily due to provisions taken for potential operating losses arising from a non-performing position in the second part of the six-month period. The accumulative value of this account as of the beginning of the year includes EUR -96 mln worth of net provisions for risks and charges (covering primarily legal disputes, revocatory actions and impairment losses on junior notes) and roughly -37 mln worth of other net operating expenses (arising in particular from legal actions and improvements on third-party assets);

Profit/loss on disposal of investments for an amount of EUR 184.2 mln, of which EUR 175 mln (net of related goodwill) attributable to the capital gain arising from the disposal of a batch of 72 branches to the Carige Group and the Intesa-SanPaolo Group (22 and 50 branches respectively).

Against this background, **income from continuing operations before taxes,** stood at approx. EUR 539 mln.

Finally, to complete the section on revenues, income taxes for the period stood at approx. EUR -220 mln.

N**et income** for the Montepaschi Group before Purchase Price Allocation (PPA) stood at EUR 318.4 mln. Net accounting profit totalled EUR 261.2 mln.

With respect to the Montepaschi Group's Segment Reporting obligations under IFRS 8, highlights include the following:

Consumer Banking:

- total revenues: -3.9% YoY.
- customer loans: +16.6% YoY; + 8.7% on 31/12/09
- direct funding: +2.9% YoY;

Corporate Banking:

- total revenues: -0.8% YoY.
- customer loans: stable YoY; +3.7% on 31/12/09 (EUR + 2.6 bln)
- direct funding: +3.3% YoY;

Capital aggregates

With respect to funding aggregates, total Group funding volumes stood at approximately EUR 293 bln as at 30/06/2010, namely up 4.4 bln (+1.5%) on 31/03/2010 as restated to take account of the disposal of branches, and up by EUR 18.2 bln as compared to previous year 'restated' figures (+6.6%), mainly on the back of a positive contribution from direct funding (+3.5% on March 2010; +8.8% YoY). Asset management was up as well (+0.8% on March 2010; +9.6% YoY), driven by a positive trend in funding from insurance premiums and collective investment schemes.

Direct funding came to approx. EUR 158 bln, up about EUR 13 bln as compared to June 2009 restated figures, whereas **indirect funding** rose by EUR 5.4 bln as compared to end of June 2009 restated figures.

More specifically, intense activity in **asset management** resulted in approx. EUR 11.4 bln worth of placements. Results in the Bancassurance segment were particularly significant: EUR 3.5 bln worth of premiums were collected, up significantly on H1 2009 (+53.7%), with trends common to all policy classes. Premiums paid on traditional policies still account for the largest share of total (61.8% vs. 66.3% in H109), followed by those paid on unit-linked policies (22% vs. 10.2%) and index-linked policies (16.1% vs. 23.5%).

Lending trends in the first half of 2010 benefitted from **new mortgage loans negotiated** for an amount of approx. EUR 8.7 bln, up 73% as compared to the same period in 2009. As for 'special purpose' (corporate and consumer) loans, which are disbursed by the Group through dedicated product companies, new flows exceeded EUR 6 bln (+24.1% YoY), with the second quarter contributing approx. EUR 3.3 bln (+17.4% on 1Q10).

With respect to credit quality, the total stock of net impaired loans has slightly increased as compared to March 2010 (+ EUR 700 mln). The performing loan portfolio quality has seen a 10 bps improvement in the average Probability of Default which is now at 2.60% as compared to 2.70% in March.

Impaired loan provisions continue to be commensurate with risk mitigation and are in line with the Montepaschi Group's traditional provisioning levels (approx. 40%). In particular, value adjustments for gross NPLs alone account for 56.5% of the total, up by approx. 68 bps as compared to 1Q2010. Finally, portfolio value adjustments on gross performing loans are at 0.6%, substantially in line with 31/12/09 levels.

This press release will be posted on the following Web site www.mps.it

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Pursuant to para. 2, article 154 bis of the Consolidated Law on Finance the Financial Reporting Officer, Mr. Daniele Bigi, declares that the accounting information contained in this press release corresponds to the underlying documentary evidence and accounting records.

MPS GROUP RECLASSIFICATION PRINCIPLES FOR OPERATING PURPOSES

The following accounting statements illustrate balance-sheet and profit-and-loss accounts reclassified on the basis of operating criteria. In particular, the major changes introduced to the **income statement** of the two six-month periods involve aggregations and reclassifications of accounts for the purpose of providing a clearer view of Group performance. Following are the major changes as at 3o June 2010:

a) **"Net profit/loss from trading/valuation of financial assets"** in the reclassified income statement, includes the items under Account 80 "Net profit/loss from trading", Account 100 "Gains (losses) on disposal/repurchase of loans, financial assets available for sale or held to maturity and financial liabilities" and Account 110 "Net profit/loss on financial assets and liabilities designated at fair value". The account incorporates values relating to dividends on some securities transactions, inasmuch as they are closely connected with the trading component (approx. EUR 251 mln as at 30/06/2010). Furthermore, the aggregate was stripped of losses arising from disposal of loans (approx. EUR 9 mln), which were reclassified out of Account 100 "Gains (losses) on disposal of loans";

b) **"Dividends, similar income and gains (losses) on equity investments"** in the reclassified income statement incorporates account 70 "Dividends and similar income" and a portion of account 240 "Gains (losses) on equity investments" (approx. EUR 23 million as at 30/06/2010) corresponding to the contribution to the income statement that is 'guaranteed' by the portion of profit arising from equity investments related thereto (valued at equity). Dividends from some trading transactions, as outlined under item a) above, have been eliminated from the aggregate;

c) **"Net value adjustments due to impairment of loans"** in the reclassified income statement was determined by reclassifying charges for an amount of approximately EUR 18 mln (namely, value adjustments to junior notes: approx. 15 mln and charges in relation to financial plans: approx. 3 mln), which were more properly classified under "Net provisions for risks and charges and other operating income/expenses". Additionally, 9 mln worth of losses arising from disposal of loans were reclassified out of Account 100 a) "Gains/losses on disposal of loans" into this account in a logic of recovery, insofar as they are operationally similar to loan value adjustments;

d) **"Other administrative expenses"** in the reclassified income statement was integrated with the portion of stamp duty and client expense recovery (approx. EUR 166 million) posted under Account 220 *"Other operating income/expenses"*. In addition, the aggregate was stripped of approx. 2.7 mln worth of one-off charges which were reclassified as "**Integration costs/One-off charges**" incurred within the framework of the re-organization process set out in the 2008-2011Business Plan;

e) The account **"Net provisions for risks and charges and other operating income/expenses"** in the reclassified income statement incorporates Account 190 "Net provisions for risks and charges" and Account 220 "Other operating income/expenses". It also includes value adjustments to junior notes for an amount of EUR 15 mln and financial plans for an amount of EUR 3 mln as described under item c) above and excludes stamp duty and client expense recovery as described under item d) above;

f) **"Integration costs/one-off charges"** in the reclassified income statement includes the "One-off charges" associated with the organizational rearrangement process, once reclassified out of **"Other administrative expenses"** (approx. 2.7 mln);

g) **"Gains (losses) on equity investments"** was stripped of components reclassified as "Dividends and similar income" (see item b);

h) *Purchase Price Allocation* (PPA) effects were reclassified out of other accounts (in particular "***Interest income***" for approx. EUR 44 mln and ***depreciation/amortization*** for approx. EUR 40 mln (with a related theoretical tax burden of approx. 27 mln) which integrate the account) into one single account named **"Net effects of Purchase Price Allocation"** .

Following are the major reclassifications in the **consolidated balance-sheet**:

i) **"Tradable Financial assets"** on the assets side of the reclassified balance-sheet includes Account 20 "*Financial assets held for trading*", Account 30 "*Financial assets designated at fair value"* and Account 40 "*Financial assets available for sale"*;

j) **"Other assets"** on the assets side of the reclassified balance-sheet incorporates Account 80 "*Hedging derivatives*", Account 90 "*Changes in value of macro-hedged financial assets*", Account 140 "*Tax assets*", Account 150 "*Non-current assets and groups of assets held for sale*" and Account 160 "*Other assets*";

k) **"Customer accounts and securities"** on the liabilities side of the reclassified balance-sheet includes Account 20 "Customer accounts", Account 30 "*Debt securities* in issue" and Account 50 "*Financial liabilities designated at fair value*";

l) "**Other liabilities**" on the liabilities side of the reclassified balance-sheet incorporates Account 60 "Hedging derivatives", Account 70 "Changes in value of macro-hedged financial liabilities", Account 80 "Tax liabilities", Account 90 "Liabilities included in disposal groups held for sale" and Account 100 "Other liabilities"**.**

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CONSOLIDATED REPORT ON OPERATIONS

Highlights at 06/30/2010

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MONTEPASCHI GROUP			
• INCOME STATEMENT FIGURES (in millions of euros)	**06/30/2010**	**06/30/2009**	**% chg**
Income from banking activities	2,797.2	2,786.6	0.4%
Financial and insurance income (loss)	2,810.2	2,933.3	-4.2%
Net operating income	510.8	472.5	8.1%
Net profit (loss) for the period	261.2	332.1	-21.4%
• BALANCE SHEET FIGURES AND INDICATORS (in millions of euros)	**06/30/2010**	**12/31/2009** **Historical data**	**% chg**
Direct funding	158,232	155,391	1.8
Indirect funding	134,401	132,217	1.7
of which: assets under management	*50,060*	*48,783*	2.6
of which: assets under custody	*84,341*	*83,434*	1.1
Customer loans	152,881	152,413	0.3
Group net equity	16,345	17,175	-4.8
• KEY LOAN QUALITY RATIOS (%)	**06/30/2010**	**12/31/2009**	
Net non-performing loans/Customer loans	3.28	3.05	
Net watchlist loans/Customer loans	2.81	2.47	
• PROFITABILITY RATIOS (%)	**06/30/2010**	**12/31/2009**	
Cost/Income ratio	60.2	64.2	
R.O.E. (on average equity)	3.12	1.46	
R.O.E. (on year-end equity)	3.04	1.49	
Net adjustments to loans / Year-end investments	0.77	0.96	
• CAPITAL RATIOS (%)	**06/30/2010**	**12/31/2009**	
Solvency ratio	12.2	11.9	
Tier 1 ratio	7.8	7.5	
• INFORMATION ON BMPS STOCK	**06/30/2010**	**12/31/2009**	
Number of ordinary shares outstanding	5,569,271,362	5,569,271,362	
Number of preference shares outstanding	1,131,879,458	1,131,879,458	
Number of savings shares outstanding	18,864,340	18,864,340	
Price per ordinary share:	from the **12/31/09** to the **06/30/10**	from the **12/31/08** to the **12/31/09**	
average	1.08	1.24	
low	0.83	0.77	
high	1.33	1.62	
• OPERATING STRUCTURE	**06/30/2010**	**12/31/2009**	**Abs. chg**
Total head count - year-end	31,612	32,003	-391
Number of branches in Italy	3,014	3,088	-74
Financial advisor branches	148	163	-15
Number of branches & rep. offices abroad	41	41	

R.O.E. on average equity: net income for the period/average of net shareholder's equity (including net income). End of period R.O.E.= net income for the period/ net equity at the end of the previous year, purged of shareholder's pay out.

■ **INCOME STATEMENT RESTATED ACCORDING TO OPERATING CRITERIA** (in millions of euros)

MONTEPASCHI GROUP	06/30/2010	06/30/2009 (*)	Change Abs.	Change %
Net interest income	1,810.6	1,835.5	-24.9	-1.4%
Net commissions	986.6	951.2	35.4	3.7%
Income from banking activities	**2,797.2**	**2,786.6**	**10.5**	**0.4%**
Dividends, similar income and profits (losses) from equity investments	**33.6**	**66.7**	**-33.0**	-49.5%
Net result from realisation/valuation of financial assets	-33.5	79.3	-112.8	-142.3%
Net gain (loss) from hedging	12.9	0.7	12.2	n.s.
Financial and insurance income (loss)	**2,810.2**	**2,933.3**	**-123.0**	**-4.2%**
Net adjustments for impairment of:	**-609.0**	**-709.7**	**100.7**	-14.2%
a) loans	-590.0	-686.7	96.7	-14.1%
b) financial assets	-19.0	-23.0	3.9	-17.2%
Net financial and insurance income (loss)	**2,201.2**	**2,223.6**	**-22.4**	**-1.0%**
Administrative expenses:	-1,608.1	-1,673.7	65.6	-3.9%
a) personnel expenses	-1,073.1	-1,111.8	38.7	-3.5%
b) other administrative expenses	-535.0	-561.9	26.9	-4.8%
Net adjustments to the value of tangible and intangible fixed assets	-82.3	-77.4	-4.9	6.4%
Operating expenses	**-1,690.4**	**-1,751.1**	**60.7**	**-3.5%**
Net operating income	**510.8**	**472.5**	**38.3**	**8.1%**
Net provisions for risks and liabilities and Other operating income/costs	-133.6	-34.8	-98.8	n.s.
Income (loss) on equity investments	-19.5	-3.1	-16.4	n.s.
Integration costs	-2.7	-31.9	29.2	-91.5%
Gains (losses) from disposal of investments	184.2	0.0	184.2	n.s.
Gain (loss) from current operations before taxes	**539.2**	**402.6**	**136.6**	**33.9%**
Taxes on income from current operations	-220.4	-193.9	-26.5	13.7%
Gain (loss) from current operations after taxes	**318.8**	**208.7**	**110.1**	**52.8%**
Gain (loss) on fixed assets due for disposal, net of taxes	-1.3	195.5	-196.9	-100.7%
Net profit (loss) including minority interests	**317.5**	**404.2**	**-86.8**	**-21.5%**
Minority interests in profit (loss)	0.9	-2.6	3.5	-135.7%
Net profit (loss) pre PPA	**318.4**	**401.6**	**-83.2**	**-20.7%**
PPA (Purchase Price Allocation)	-57.2	-69.5	12.3	-17.7%
Net profit (loss)	**261.2**	**332.1**	**-70.9**	**-21.4%**

(*) These figures were disclosed in the Annual Financial report as at 31 December 2009. Please be reminded that, effective as of the third quarter of 2009, the aggregates of net interest income and net fees and commissions of the first two quarters of 2009 were reported on a proforma basis with a view to taking into consideration the different method of accounting of some revenue items, with no impact on basic income.

MONTEPASCHI GROUP

■ **RECLASSIFIED BALANCE SHEET** (in millions of euros)

ASSETS	06/30/2010	06/30/2009	% chg
Cash and cash equivalents	853	798	6.9
Receivables :			
a) Customer loans	152,881	145,111	5.4
b) Due from banks	13,662	13,017	5.0
Financial assets held for trading	58,752	32,707	79.6
Financial assets held to maturity	0	0	6.5
Equity investments	732	721	1.5
Tangible and intangible fixed assets	10,201	10,468	-2.6
of which:			
a) goodwill	*6,474*	*6,670*	*-2.9*
Other assets	10,487	9,241	13.5
Total assets	**247,567**	**212,062**	**16.7**

LIABILITIES	06/30/2010	06/30/2009	% chg
Payables			
a) Due to customers and securities	158,232	147,635	7.2
b) Due to banks	28,593	21,826	31.0
Financial liabilities from trading	33,210	18,710	77.5
Provisions for specific use			
a) Provisions for employee leaving indemnities	298	347	-13.9
b) Reserve for retirement benefits	450	441	2.1
c) Other reserves	962	886	8.5
Other liabilities	9,207	6,820	35.0
Group portion of shareholders' equity	16,345	15,124	8.1
a) Valuation reserves	-219	513	-142.6
b) Reimbursable shares			
c) Capital instruments	1,949	47	n.s.
d) Reserves	5,903	5,768	2.3
e) Share premium account	3,996	4,035	-1.0
f) Share capital	4,502	4,487	0.3
g) Treasury shares (-)	-49	-57	-14.8
h) Net profit (loss) for the year	261	332	-21.4
Minority interests in shareholders' equity	270	273	-1.0
Total liabilities and shareholders' equity	**247,567**	**212,062**	**16.7**

QUARTERLY TREND IN INCOME STATEMENT FIGURES RECLASSIFIED ACCORDING TO OPERATING CRITERIA (in millions of euros)

MONTEPASCHI GROUP	2010		2009 (*)			
	2nd quarter	**1st quarter**	**4th quarter**	**3rd quarter**	**2nd quarter**	**1st quarter**
Net interest income	924.8	885.8	889.6	913.3	909.6	925.9
Net commissions	492.7	493.9	465.7	476.4	469.3	481.9
Income from banking activities	**1,417.5**	**1,379.7**	**1,355.3**	**1,389.7**	**1,378.9**	**1,407.8**
Dividends, similar income and profits (losses) from equity investments	15.7	17.9	24.1	19.6	45.4	21.2
Net result from realisation/valuation of financial assets	-53.4	19.8	-20.8	8.3	31.5	47.8
Net gain (loss) from hedging	6.3	6.7	8.1	-10.3	-5.8	6.5
Financial and insurance income (loss)	**1,386.1**	**1,424.2**	**1,366.8**	**1,407.3**	**1,450.0**	**1,483.3**
Net adjustments for impairment of:	**-301.3**	**-307.7**	**-440.4**	**-360.0**	**-405.3**	**-304.4**
a) loans	-283.0	-307.0	-428.3	-351.0	-400.1	-286.6
b) financial assets	-18.3	-0.7	-12.2	-9.0	-5.2	-17.8
Net financial and insurance income (loss)	**1,084.7**	**1,116.5**	**926.3**	**1,047.3**	**1,044.7**	**1,178.9**
Administrative expenses:	-788.5	-819.6	-983.2	-844.9	-821.9	-851.8
a) personnel expenses	-516.6	-556.5	-614.8	-563.6	-537.4	-574.4
b) other administrative expenses	-271.9	-263.1	-368.5	-281.2	-284.5	-277.4
Net adjustments to the value of tangible and intangible fixed assets	-42.2	-40.1	-45.9	-39.7	-39.4	-38.0
Operating expenses	**-830.6**	**-859.8**	**-1,029.1**	**-884.6**	**-861.3**	**-889.8**
Net operating income	**254.1**	**256.7**	**-102.8**	**162.7**	**183.4**	**289.1**
Net provisions for risks and liabilities and Other operating income/costs	-92.2	-41.4	-154.7	-30.7	-24.1	-10.7
Income (loss) on equity investments	-19.3	-0.2	0.3	0.1	-5.0	1.9
Integration costs	-2.7		-54.8		-27.6	-4.3
Gains (losses) from disposal of investments	184.2	0.0	-4.6	46.8	0.0	0.0
Gain (loss) from current operations before taxes	**324.1**	**215.1**	**-316.6**	**179.0**	**126.6**	**276.0**
Taxes on income from current operations	-177.1	-43.4	167.0	-74.7	-58.0	-135.9
Gain (loss) from current operations after taxes	**147.0**	**171.8**	**-149.6**	**104.2**	**68.6**	**140.1**
Gain (loss) on fixed assets due for disposal, net of taxes		-1.3	0.2	-0.3	1.7	193.8
Net profit (loss) including minority interests	**147.0**	**170.5**	**-149.4**	**104.0**	**70.3**	**333.9**
Minority interests in profit (loss)	1.4	-0.5	-0.9	-1.0	-2.5	-0.1
Net profit (loss) pre PPA	**148.5**	**169.9**	**-150.3**	**103.0**	**67.8**	**333.9**
PPA (Purchase Price Allocation)	-29.6	-27.7	**-31.0**	**-33.6**	**-36.3**	**-33.3**
Net profit (loss)	**118.9**	**142.2**	**-181.3**	**69.3**	**31.5**	**300.6**

(*) These figures were disclosed in the Annual Financial report as at 31 December 2009. Please be reminded that, effective as of the third quarter of 2009, the aggregates of net interest income and net fees and commissions of the first two quarters of 2009 were reported on a proforma basis with a view to taking into consideration the different method of accounting of some revenue items, with no impact on basic income.

MONTEPASCHI GROUP

■ **RECLASSIFIED BALANCE SHEET - QUARTERLY TREND** (in millions of euros)

ASSETS	**06/30/2010**	**03/31/2010**	**12/31/2009**	**09/30/2009**	**06/30/2009**	**03/31/2009**
Cash and cash equivalents	853	781	1,296	682	798	860
Receivables :						
a) Customer loans	152,881	150,804	152,413	146,208	145,111	144,708
b) Due from banks	13,662	10,474	10,328	13,401	13,017	11,935
Financial assets held for trading	58,752	47,855	38,676	38,749	32,707	28,946
Financial assets held to maturity	0	0	0	0	0	0
Equity investments	732	759	742	725	721	597
Tangible and intangible fixed assets	10,201	10,374	10,395	10,428	10,468	10,489
of which:						
a) goodwill	*6,474*	*6,619*	*6,619*	*6,648*	*6,670*	*6,670*
Other assets	10,487	9,254	10,965	8,868	9,241	10,086
Total assets	**247,567**	**230,301**	**224,815**	**219,061**	**212,062**	**207,621**

LIABILITIES	**06/30/2010**	**03/31/2010**	**12/31/2009**	**09/30/2009**	**06/30/2009**	**03/31/2009**
Payables						
a) Due to customers and securities (°)	158,232	155,024	155,391	155,816	147,635	139,309
b) Due to banks	28,593	25,628	22,758	19,294	21,826	23,395
Financial liabilities from trading	33,210	23,188	19,481	20,674	18,710	20,609
Provisions for specific use						
a) Provisions for employee leaving indemnities	298	304	304	340	347	504
b) Reserve for retirement benefits	450	459	458	456	441	436
c) Other reserves	962	920	911	888	886	910
Other liabilities	9,207	7,330	8,055	5,924	6,820	7,159
Group portion of shareholders' equity	16,345	17,167	17,175	15,391	15,124	15,019
a) Valuation reserves	-219	580	721	646	513	303
b) Reimbursable shares						
c) Capital instruments	1,949	1,949	1,949	52	47	47
d) Reserves	5,903	5,986	5,766	5,789	5,768	5,857
e) Share premium account	3,996	4,048	4,048	4,041	4,035	4,094
f) Share capital	4,502	4,502	4,502	4,487	4,487	4,487
g) Treasury shares (-)	-49	-40	-32	-25	-57	-70
h) Net profit (loss) for the year	261	142	220	401	332	301
Minority interests in shareholders' equity	270	282	281	280	273	279
Total liabilities and shareholders' equity	**247,567**	**230,301**	**224,815**	**219,061**	**212,062**	**207,621**

TABLES OF THE CONSOLIDATED HALF-YEAR REPORT

BALANCE SHEET

(in euro)

	Assets	06/30/2010	12/31/2009
10	Cash and cash on deposit	853,278,725	1,295,586,779
20	Financial assets held for trading	40,126,268,675	23,506,522,746
30	Financial assets at fair value	255,213,788	260,418,460
40	Financial assets available for sale	18,370,023,007	14,909,189,684
50	Financial assets held to maturity	3,113	3,113
60	Due from banks	13,661,828,936	10,327,520,615
70	Loans to costumers	152,881,182,313	152,413,440,750
80	Hedging derivatives	201,636,799	198,702,637
90	Value adjustment on financial assets with generic coverage (+/-)	41,694,478	32,039,046
100	Equity investment	731,713,779	742,170,498
120	Fixed Assets	2,694,614,147	2,733,043,104
130	Intangible assets	7,505,897,507	7,661,629,206
	of which: goodwill	*6,473,778,893*	*6,619,478,893*
140	Tax assets	4,770,898,624	4,377,044,696
	a) current	*558,838,295*	*619,296,168*
	b) anticipated	*4,212,060,329*	*3,757,748,528*
150	Non current assets (or disposal groups) held for sale and discontinued operations	110,069,366	129,165,143
160	Other	5,362,205,584	6,228,501,692
	Total assets	**247,566,528,841**	**224,814,978,169**

(in euro)

	Liabilities and Shareholders'equity	06/30/2010	12/31/2009
10	Due to banks	28,593,031,456	22,757,742,753
20	Due to costumers	96,627,650,881	91,132,820,120
30	Securities	37,433,374,739	42,559,083,505
40	Financial liabilities held for trading	33,209,622,877	19,481,338,417
50	Financial liabilities at fair value	24,170,965,203	21,699,056,443
60	Hedging derivatives	2,089,990,820	931,554,179
80	Tax Liabilities	166,677,063	341,425,636
	a) current	*60,328,003*	*230,259,485*
	b) postponed	*106,349,060*	*111,166,151*
90	Liabilities in disposal groups held for sale	-	-
100	Other	6,950,537,455	6,782,237,039
110	Staff severance indemnity reserve	298,229,667	304,496,882
120	Reserve for risks and other charges	1,411,891,472	1,369,213,566
	a) pension fund and similar obligations	*449,927,717*	*458,133,053*
	b) other provisions	*961,963,755*	*911,080,513*
140	Revaluation reserves	(218,605,241)	720,587,188
160	Capital instruments	1,949,365,486	1,949,365,486
170	Reserves	5,903,370,357	5,766,022,280
180	Paid-in Capital	3,995,643,005	4,048,328,020
190	Share capital	4,502,410,157	4,502,410,157
200	Own shares (-)	(48,751,612)	(32,079,360)
210	Minority interests (+/-)	269,973,161	281,261,541
220	Profit (loss) for the year	261,151,895	220,114,317
	Total liabilities and Shareholders'equity	**247,566,528,841**	**224,814,978,169**

INCOME STATEMENT

(in euro)

		06/30/2010	06/30/2009
10	Interest and similar income	3,167,867,171	3,886,161,236
20	Interest and similar expense	(1,401,642,796)	(1,950,611,064)
30	**Net Interest Income**	**1,766,224,375**	**1,935,550,172**
40	Commissions earned	1,105,844,279	867,880,803
50	Commission expense	(119,257,159)	(104,795,198)
60	**Net Commissions**	**986,587,120**	**763,085,605**
70	Dividends and other income	261,447,371	209,873,637
80	Net Profit from trading	(296,430,872)	(110,649,461)
90	Net Profit from hedging	12,942,632	707,228
100	Profit / Loss	27,585,772	(4,223,185)
	a) loans	5,008,466	*9,141,642*
	b) available for sale financial assets	33,210,751	*(5,067,751)*
	c) financial liabilities	*(10,633,445)*	*(8,297,076)*
110	Fair Value financial assets and liabilities	(24,820,930)	(3,990,081)
120	**Total Income**	**2,733,535,468**	**2,790,353,915**
130	Net value adjustments on:	(618,476,249)	(730,475,857)
	a) loans	*(599,439,422)*	*(707,492,503)*
	b) available for sale financial assets	*(17,693,203)*	*(12,354,940)*
	d) other financial assets	*(1,343,624)*	*(10,628,414)*
140	**Net Income from financial operation**	**2,115,059,219**	**2,059,878,058**
180	Administrative expenses	(1,776,286,356)	(1,815,944,121)
	a) personnel expenses	*(1,073,132,915)*	*(1,135,259,932)*
	b) other administrative expenses	*(703,153,441)*	*(680,684,189)*
190	Provisions for risks and charges	(81,191,172)	(20,695,086)
200	Valuation adjustments to fixed assets	(49,706,240)	(53,366,532)
210	Valuation adjustments to intangible assets	(72,133,235)	(63,754,648)
220	Other operating income/expenses	131,398,804	116,014,155
230	**Operating costs**	**(1,847,918,199)**	**(1,837,746,232)**
240	Income (loss) from investments	3,979,995	55,515,808
260	Value adjustments of goodwill	-	
270	Income (loss) from disposal of investments	184,203,776	4,247
280	**Income (loss) before taxes from continuing operations**	**455,324,791**	**277,651,881**
290	Income taxes	(193,781,322)	(154,712,920)
300	**Income (loss) after taxes from continuing operations**	**261,543,469**	**122,938,961**
310	Income (loss) from disposal of non continuing operations net of taxes	(1,322,727)	211,735,175
320	**Profit (loss) for the period prior to minority interests**	**260,220,742**	**334,674,136**
330	Profit (loss) prior to minority interests	(931,153)	2,607,603
340	**Profit (loss) for the period**	**261,151,895**	**332,066,533**